SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY MANAGEMENT

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ABSTRACT: In sustainable development management, Social responsibility of companies operates in a dynamic system with rapid changes in technology and is tied down in an environment that continuously grows in complexity. Organization development theory and practice of sustainable development management has been and is strongly influenced by these elements. Concepts and actions are also influenced by the system value induced in turn not only by the organization itself but also by the social responsibility to the same extent [11]. This leads to the necessity of understanding the social responsibility, to encompass the basic factors that alter the management philosophy of sustainable development.

KEYWORDS: sustainable development management, social responsibility, social systems, ecology, social obligation

1. THE FUNDAMENTAL ELEMENTS OF SOCIAL RESPONSIBILITY IN SUSTAINABLE DEVELOPMENT MANAGEMENT

1.1. Company social system

The company may be described as a technical system that produces goods and services from a complementary point of view, namely as a social system [13]. The social system which is a modern organization component may be described by the following features:

- It is determined by several factors: technical, psychological and social;
- It mostly contributes to shaping the social and psychological processes;
- It is in close connection with the technical system, the latter being forced to take into account the human characteristics and relations between them;
- It is highly influenced by the biological and psychological human features, the natural and cultural action facilities and their needs;
- It is also determined by the overall company organization as part of the subsystem;
- The social system is found in close connection with the sustainable development management, a process that presents several features:
  - o Economic, social and ecological efficiency which is the main object of sustainable development management;
  - o Economic efficiency depends primarily on the technological system;
  - o Economic performance is also influenced by social and human characteristics of the company;
- The human feature is an important source of growth of labor productivity.
- Along with economic function, the human, social and ecological functions increase in importance.
- Sustainable development management has an impact on community life it belongs to not only from an economic point of view, providing jobs, social facilities, but it also "produces" people:
  - o Participation in sustainable development management has a profound influence on life itself, the participation in other areas of social activity.
- Improving the quality of sustainable human development management and the humanization of work, properly express an oriented mentality.

1.2. Economic, social and ecological sustainable development management

Specialists have focused attention [1] on economic, social and ecological issues of sustainable development which they summarize as follows:

- Relations with customers, which consist in honest and accurate information on products, packaging and advertising itself, quality and safety of the product, services and warranties;
- Environment, developed in several major directions: the control of air, water and waste pollution, energy conservation and other natural resources, improvement of noise, smell and visual pollution;
- The individual, insured by non-discriminatory practices and fair employment, positive action related to employee rights to speak and workplace safety;
- Community, acting through corporate community involvement, sustainable development, vocational training for job development, education and arts support and cooperation with local government;
- The government, which oversees and ensures compliance with and fulfillment of obligations by legislation and cooperation with local governments to address sustainable development issues;
- The company is involved in corporate governance, strong relations with shareholders and other interest groups, emphasis of national and international issues, maintenance of legitimacy and of economic, social and economic trends of sustainable development.

Related to the abovementioned issued, the Company's desire for greater cooperation leads to the declaration of interest laws and the creation of various government agencies, reflecting the interests of society from economic problems to many newer and wider priorities of sustainable development at national and local level.

1.3. Company and the issues of changing from the perspective of sustainable development management

In sustainable development management the modern enterprise acts as an important source of power and social influence, becoming a major economic organization and a powerful force of social change. Concerned about science and technology transformation in economic goods and services, companies generate, at the same time, many important social changes in general and sustainable development management in particular.

Satisfied with the results of economic, social and ecological system operation and management of sustainable development operation, people have felt satisfied by the social consequences of sustainable development activities.

Failure situations take place as well when social demands go beyond the response capacity of sustainable development management. Even more: the public increases its standards as the company meets them. As Max Ways [12] noted, there are common situations in which the public believes its standards are unchanged and, consequently, perceive the performance of sustainable development management as having a downward trend. In fact, there are a lot of demands about large companies to be more sensitive and to help solve the numerous problems of sustainable development. The public wants companies to contribute more to achieving the major goals of sustainable development that concern their well being (reducing inflation and unemployment, poverty and improving education and supporting the arts).

1.4. Social influence in sustainable development management

By definition, the influence is an international act by which an individual tries to determine another or other individuals to think about or commit to something that one would not think or carry out [14]. Because of social influence, people feel and act differently from the way they would as independent operators. The explanation is that in many social situations, especially in the management and sustainable development, people are largely dependent on the others.

This dependence creates a situation in which influence is shown. Mainly, we distinguish these forms of dependence:

- Dependence on information received from others, on how we think, feel and act. This dependence of information offers to the others the possibility to influence our thoughts, feelings and actions through signals sent to us;
- Dependence on effect, which is dependence on others, because of their ability to give us rewards or punishments. In fact, depending on the effect involves two complementary processes: on one hand, the group is frequently interested in how its members think and act, because such matters may affect the group's goals; on the other hand, each member frequently wants to have the approval of the group.

For members who belong to the group, the effects of information addiction and dependence on effect are found in compliance with social norms established by the group. The reasons for compliance can be classified as [6]:

- Accepting that a social norm compliance which is determined by the desire to gain rewards or avoid punishment;
- Identification, the compliance with a social norm which is determined by the perception of those who promote it as attractive or similar with us;
- Internalization, in which social norm compliance is determined by the frank acceptance of requirements, values and attitudes that are the base of the norm.

The process by which people learn the rules and roles that are required to perform duties within a group or organization is called socialization.

Organizational socialization is a continuous, useful process, which is divided into three stages (fig.1.1.).

Briefly, we shall keep in mind the following about the three stages:

- First stage, anticipatory socialization, is shown before the person becomes a member of an organization and includes a formal process of acquiring skills and attitudes. It may be correct and useful, but also unfair and unnecessary and, consequently, the degree of anticipatory socialization incentive may be different;
- The second stage, adaptation, the new endowed armed with a set of expectations about organizational life, encounters real life daily. Orientation, training and staff rotation programs are designed;

The role management is the third step and consists of fine-tuning role in sustainable development management organization.
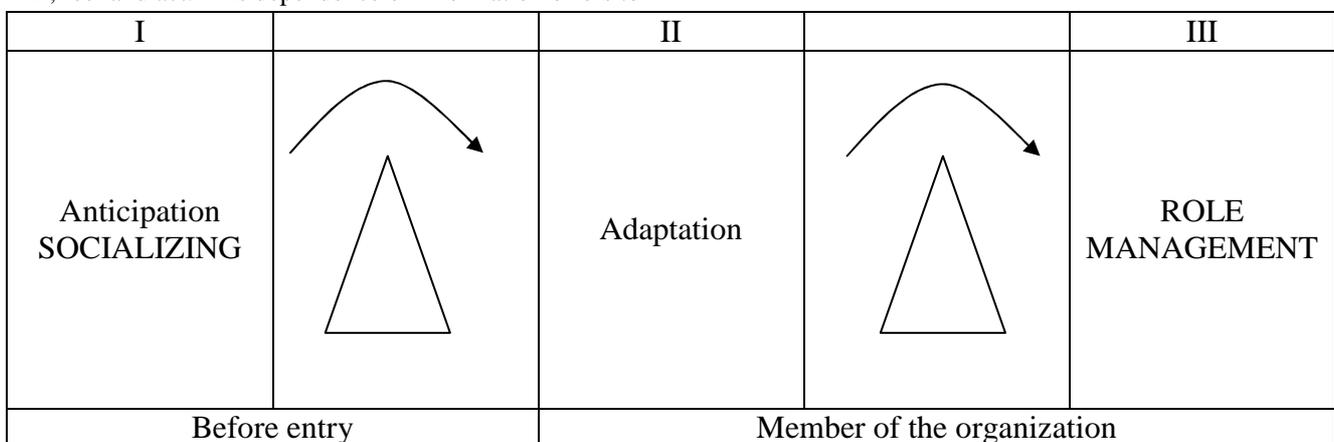
I		II		III
Anticipation SOCIALIZING		Adaptation		ROLE MANAGEMENT
Before entry		Member of the organization		

Figure 1. Organizational socialization stages (after Feldman, DC, 1976)

2. SOCIAL RESPONSIBILITY COMPONENTS OF SUSTAINABLE DEVELOPMENT MANAGEMENT

2.1. The concept of social responsibility

Historically, social responsibility concept arose as a result of the transition from the prevailing economic model of business that focused mainly on production, resource management, major individual interests coupled with little interest from the government and a business overview as a closed system, to larger and more complex socio-economic affairs, which is oriented mainly on the overall quality of life, conservation of resources, interests of society and a vision of business as an open system.

In terms of definition, the social responsibility of a company is the concept which designates the obligations of the organization to set up groups in society other than shareholders and those prescribed by law and trade unions [3].

Corporate Social Responsibility is the obligation of managers to take actions that protect and improve the welfare of society as a whole and the interests of the organization.

It is, therefore, a company obligation to act in ways that serve both their interests and those of many external stakeholders (individuals or groups who are affected in one way or the other by company's behavior). Specifically, responsible organizational practices are guided by the following beliefs [2]:

• The belief that people carry out their job in healthy work environments that allow job involvement, respect for others' contributions and a reasonable balance between work time and family life;
• The belief that organizations increase in efficiency and performance when they deal with the environment and sustainable development management with respect to any obligations or actions they perform;
• The belief that organizations must be based on long-term success;
• The belief that an organization's reputation should be protected for consumer's safety and support member.

In terms of defining and finding components in the management of sustainable development note:

• In relation to certain types of behavior from external sources, the concept of sustainable development management is more attached to self-correction than to constraint;
• It targets the interests of private and business awareness to the social needs of sustainable development and involves certain restrictions on business behavior generated by the need for a selfless and moral approach;
• While the duty must be voluntarily accepted, the behavior influenced by coercive forces of law or union is not voluntary;
• The obligation extends beyond the traditional duty towards shareholders, other business groups (consumers, employees, suppliers, nearby communities);
• Social responsibility must be voluntary and must involve the discretion of managers to act in different ways of sustainable development.

2.2. Principles, typology and strategies

The principles underlying the social responsibility of companies have been designed by Keith Davis [2]. They relate to how companies should adhere to the obligation to take action in order to protect and enhance both the wellbeing of society and of the organization and can be rendered as follows:

• Principle 1: social responsibility arises from social power which is significant on some key issues, related to sustainable management;
• Principle 2: companies must be responsive to communication with society and the publication of their actions;
• Principle 3: social costs and benefits of an activity, product or service must be calculated in detail and taken into account when taking decisions on the activity, product or service;
• Principle 4: the social costs of each activity, product or service must be passed onto the consumer;
• Principle 5: because of the civic spirit, companies have the responsibility to engage in some sustainable development issues beyond the scope of their normal actions.

In the management of sustainable development there are several types of perspectives that society develops. Consequently, social responsibility in the management of sustainable development includes economic, social, environmental, legal, ethical and discretionary perspectives that society develops towards organizations at a time. Hence the four categories of social responsibility are given in Figure 2.1.

DISCRETIONARY RESPONSIBILITIES
ETHICAL RESPONSIBILITIES
LEGAL-JURIDICAL RESPONSIBILITIES
ECONOMIC RESPONSIBILITY

Figure 2. Social responsibilities of management (by Ionescu, Gh, Gh, et al., 2001)

Related to Figure 2.1. we shall take the following into account:

• Corporate social responsibility including discretionary and ethical responsibilities goes beyond sustainable management of economic and legal;
• Economic responsibility lies on the scale of performance dynamics, imposed by the need for the company to be efficient in producing goods and services;
• Economic management task of sustainable development meets the legal requirements;
• Sustainable management develops ethical responsibilities, resulting in fairness to beneficiaries and employees and honesty in business relations;
• Discretionary responsibilities include those areas where sustainable development management wants to take responsibilities and it takes shape as follows:
  o Designing training programs for the unemployed;
  o Involvement in philanthropic support of community programs;
  o Organizing support and correction for environmental degradation;
  o Sustain the process of urban renewal or reconstruction.

Compared to the four criteria of social responsibility described in Figure 2.1. there are different degrees of involvement in the management of sustainable development. Figure 2.2. presents four strategies for social responsibility. And in terms of Figure 2.2. several explanations are due:

- Obstructionist strategy works against the social demands, particularly addressing economic priorities, in order to remove social applications outside their own interests;
- Defensive strategy (defense) is characterized mainly by the fact that it made the legal minimum required, the company complies with legal requirements, competitive pressures, market and activist voices;
- The strategy of accommodation (adaptation) emerges in achieving the minimum required ethical and accepts their

social responsibilities. In other words, it tries to be consistent with economic, legal and ethical requirements. At this level the company's behavior is similar to the norms, values and perspectives of the dominant society, but at times these events are made only because of external pressures;
- Proactive strategy is based on the primacy of social initiatives and seek to meet all the criteria of social performance, including discretionary performance (for freedom).

Figure 3. Social responsibility strategies (After Ionescu Gh., Gh., et al, 2001)

Proactive strategy	"Taking priorities in social initiatives". Meeting or construction responsibilities: economic, legal, ethical and discretionary.
The strategy of accommodation (adaptation)	"Achieving the minimum ethical amount required". Meeting or fulfilling responsibilities: economic, legal and ethical.
Defensive strategy	"Achieve the minimum required by law". Meeting economic and legal responsibilities.
Obstructionist strategy	"Coping with social demands". Meeting economic responsibilities.
	Organization's dedication for social responsibilities

2.3. Different views of social responsibility

Regarding the need and desirability of sustainable development management involvement in social responsibility activities, there are two views [4]:

1. Group against social responsibility as a company dealing with very economic system, responsible only to shareholders. They argue their position as follows:

- Based on Milton Friedman's point of view, who claims that forcing managers to be responsible for business owners together to effectively achieve profit and providing welfare to the society for sustainable management of society by leading to a conflict of interest that could lead to business failure;
- Competitive market system works effectively only when the organization focuses on economic performance and emphasizes shareholder interests;
- As economic institutions, organizations will specialize in what they do best, namely efficient production of goods and services. Profit is a reward for effective, real, social performance;
- Business system is required to pursue social objectives. This function is now assigned to other institutions in society;
- Any altruistic attempt of CSR is basically a misappropriation of resources to shareholders, which will not be legitimately given as profits
- Business carries a great economic power;
- The company which will accept social responsibility will be at a competitive disadvantage to those who do not practice such a responsibility, at all or to a small extent. Social responsibility results in operations and activities that will have an undue influence, inadequate on many other activities. Pluralism is valued and avoiding concentration of power is desired.

2. Pro involved Group companies in social responsibility activities take into account the notion designed by Keith Davis that company as a whole is a part of society, a party who performs a significant impact on the social life. Since the company is an influential member of society, it has a

responsibility to help preserve and increase the welfare of society as a whole. In support of this argument, advocates of social responsibility also use the following points of view:

- There is no real competition and competitive economic environment does not automatically ensure optimal allocation of resources. There is no guarantee of efficiency and equity.
- Business is not exactly the only economic instrument. Its activities have significant social effects. Profit alone is not the only indicator of social performance;
- Managers are usually trained cope with social responsibility in their decisions, although the social impact of their decisions is inevitable. Many corporations have enormous resources and therefore many of them should focus on activities related to social welfare;
- Social responsibility does not necessarily oppose or do harm on the interests of shareholders. In long term operation, shareholder interests will increase by considering the social responsibilities;
- A better society provides better opportunities for future conditions. Investments in improving the base of the social structure will provide a favorable business climate;
- Business that assumes a more responsible position discourages some interest groups such as union and government, thus avoiding breaking competition and free enterprise system. In a broad sense, it is of a very great interest for the organization to be engaged in actions for sustainable development, socially responsible.

2.4. Planning, organizing, training and reviewing the work of social responsibility

It is the scientific merit of Harry A. Lipson [7] to have presented an approach which is desirable and socially sensitive to fulfill social obligations in sustainable development management, presenting the following conditions:

- Includes social objectives in the annual planning process;
- Searches for comparative standards in social programs industry;

- Reports to organization members, board of directors and shareholders regarding the progress in social responsibility field;
- Experiences different approaches to measuring social performance;
- Tries to determine the cost of social programs, and earnings from investments in social programs.

In turn, S. Prakash Sethi [10] presents his views regarding the management approaches to meet social obligations as follows:

- Addressing social obligations is conceived as an approach to fulfill them which considers the company as having primarily economic purposes and reduces the social responsibility to a large extent, to the obligation to comply with the law;
- Addressing the social responsibility as an approach for fulfilling social obligations that the company perceives as having both economic objectives and social objectives;
- Addressing social sensitivity, treated as an approach to achieve the social bonds which considers the company as having both social objectives as well as economic and social obligation to foresee potential problems and actively work to prevent their putting into action.

The abovementioned approaches offer the possibility to treat CSR as an important activity of the company, which must be put in connection with sustainable development management functions, to be more exact with the planning, organizing, training and control of activities of social responsibility. In connection with the special significance of these features we may present some essential aspects:

- The planning of social responsibility activities in sustainable development management, namely setting out how the organization will fulfill its social responsibility objectives or the way it will get where he wants in this area of sustainable development management;
- The organization of social responsibility designed as a logical process for setting the logical usage in an accurate way regarding all company resources;
- Engaging and influencing people in achieving social responsibility activities, which must be taken into account by managers in their leading, communicating, motivating and working with groups in a conducive manner in order to fulfill the social responsibility objectives of sustainable development management;
- Reviewing the activities of social responsibility, which helps in performing sustainable development activities as planned.

2.5. Supporting companies by society in order to fulfill its social obligations in the management of sustainable development

Companies have the duty to engage openly and honestly in and to fulfill social obligations assigned to them in the management of sustainable development. In turn, the company management has the following responsibilities towards sustainable development:

- To establish clear and consistent rules;
- To make sure that rules are technically feasible;
- To make sure that rules are economically, socially and environmentally feasible;

- Rules must be proactive and not retroactive;
- To devise rules that set goals with the exclusion of rules prescribing procedures.

Keeping this support in mind, managers should play key roles in establishing and clarifying the economic, social and environmental agenda of sustainable development management. They ought to strongly persuade shareholders, staff and beneficiaries to agree on the results in sustainable development plan. They are expected to act in the public arena to declare their personal and organizational commitments and to apply them to national and local sustainable development.

3. CONCLUSIONS:

It can be finally concluded that social responsibility is closely connected to the concept of sustainable development. The overall strategy and policies for sustainable development seek to create conditions for a better quality of life by stimulating economic growth and protecting natural resources as well as the environment, by creating a balance between action and the responsibilities that firms, governments, public authorities and citizens assume to actively respond to the expectations of the social context in terms of assuming responsibility for sustainable development.

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